

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. 2:23-cv-10165-MWC (DFMx) Date: September 17, 2025

Title Damien Pujo v. Ehang Holdings Limited et al.

Present: The Honorable: Michelle Williams Court, United States District Judge

T. Jackson
Deputy Clerk

Not Reported
Court Reporter / Recorder

Attorneys Present for Plaintiffs:
N/A

Attorneys Present for Defendants:
N/A

Proceedings: (In Chambers) Order GRANTING Lead Plaintiff's motion for preliminary approval (Dkt. # 80)

Before the Court is a motion for preliminary approval of class action settlement ("Motion") filed by Lead Plaintiff Zhan Kui Zhang ("Lead Plaintiff"). Dkt. # 80 ("Mot."). Defendants EHang Holdings Limited ("EHang") and Huazhi Hu (collectively, "Defendants") filed a notice of non-opposition. Dkt. # 81. The Court finds this matter appropriate for decision without oral argument and **VACATES** the hearing set for September 19, 2025. *See* Fed. R. Civ. P. 78; L.R. 7-15. Having considered the papers, the Court **GRANTS** Lead Plaintiff's motion for preliminary approval of class action settlement. The Court also **DISCHARGES** the Order to Show Cause re Dismissal set for hearing on September 19, 2025, in light of the parties' stipulation of settlement. Dkt. # 78.

I. Background

A. Factual and Procedural History¹

On December 4, 2023, Damien Pujo initiated this putative securities class action on behalf of a class of all persons and entities who purchased or otherwise acquired the

¹ The Court has summarized the background of this case in greater detail in a previous order, so it includes only the background necessary for deciding the current order. *See* Dkt. # 59.

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publicly-traded American Depository Shares (“ADS”) of EHang between March 29, 2022 and November 6, 2023, both dates inclusive, and who were damaged thereby. Dkt. # 1. On August 12, 2024, the Court appointed Zhan Kui Zhang as Lead Plaintiff and the Rosen Law Firm, P.A., as Lead Counsel.² Dkt. # 33. On October 14, 2024, Lead Plaintiff filed the operative First Amended Class Action Complaint (“FAC”). See Dkt. # 41 (“FAC”).

In the FAC, Lead Plaintiff generally alleged that Defendants made materially false and misleading statements regarding pre-orders for autonomous aerial vehicles (“AAVs”) placed by two of EHang’s largest customers: United Therapeutics Corporation (“United”) and Prestige Aviation (“Prestige”). FAC. As to Prestige, Lead Plaintiff alleged that investors suffered damages when EHang’s ADS price dropped in response to the release of a report from Hindenburg Research revealing that the actual preorders of from Prestige to EHang was for 12 AAVs, not 100. FAC ¶ 6. Lead Plaintiff’s FAC asserted two causes of action against EHang and/or individuals who are present and former officers and directors of EHang (“Individual Defendants”) (collectively, “Defendants”), for (1) violations of the Securities Exchange Act of 1934 (“Exchange Act”) Sections 10(b) and Rule 20b-5, promulgated thereunder by the United States Securities and Exchange Commission (“SEC”), against all Defendants, *id.* ¶¶ 138–147, and (2) violations of section 20(a) of the Exchange Act against Individual Defendants, *id.* ¶¶ 148–152. EHang moved to dismiss. Dkt. # 47. On March 26, 2025, the Court granted in part EHang’s motion to dismiss and dismissed the claim regarding the United pre-order, while the Prestige pre-order claim survived. Dkt. # 59.

On July 1, 2025, the parties engaged in arm’s-length negotiations guided by an experienced and nationally recognized mediator, Robert A. Meyer of JAMS, including a full-day, in-person mediation. Mot. 3. The parties ultimately accepted Mr. Meyer’s mediator’s proposal. *Id.* 4. On July 7, 2025, the parties filed a notice of settlement with the Court that the parties reached an agreement in principle. Dkt. # 77. On August 11, 2025, the parties, in good faith following arm’s-length bargaining, entered a Stipulation of Settlement (“Stipulation”) that states all the terms of the Settlement and constitutes resolution of this matter by the parties. Dkt. # 79 (“Stipulation”); *id.* ¶ 12.17.

² The Court ascribes all capitalized terms not otherwise defined herein with the same meanings as used in the Stipulation, Dkt. # 79.

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Lead Plaintiff brings this motion for preliminary approval of the Settlement. *Mot.* The key provisions of the Settlement are as follows.

B. Settlement Terms

i. Settlement Class

The Stipulation defines the Settlement Class as: “all Persons who purchased or otherwise acquired the publicly traded American Depositary Shares of EHang between March 29, 2022 and November 6, 2023 [the “Class Period”], both dates inclusive, and who were damaged thereby.” *Mot.* 4:6–12; *Stipulation* ¶ 1.32.³ The Stipulation does not contain an estimated number of class members, but Lead Plaintiff notes that “[a]s of December 31, 2023, there were more than 43 million EHang ADSs outstanding.” *Mot.* 5.

ii. Settlement Fund

Under the Stipulation, Defendants agree to pay \$1,985,000 (the “Settlement Amount”) into the Settlement Fund, which is an escrow account managed by an escrow agent. *Id.* ¶¶ 1.31, 1.34, 2.1, 3.1–3.4. The Settlement Fund includes taxes and tax expenses, administrative costs, Lead Counsel’s attorneys’ fees and reimbursement of expenses, payment to Lead Plaintiff for reimbursement of his time and expenses, and the cost of distributing the balance of the Settlement Fund to Authorized Claimants (any Settlement Class Member whose claim for recovery has been allowed). *Id.* ¶¶ 1.19, 1.34, 3.4, 7.2, 8. The Stipulation itself does not set maximum amounts for these categories of costs. *See Stipulation.* However, the proposed notices and Motion indicate that Lead Counsel will ask the Court to approve payment of up to 25% of the Settlement Fund in

³ Excluded from the Settlement Class are:

(a) Persons who suffered no compensable losses, and (b) Defendants; the present and former officers and directors of EHang at all relevant times; members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which EHang, or any person excluded under this subsection (b), has or had a majority ownership interest at any time. Also excluded from the Settlement Class are those Persons who file valid and timely requests for exclusion in accordance with the Preliminary Approval Order.

Stipulation ¶ 1.32.

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attorney’s fees and seek up to \$67,000 in reimbursement of litigation expenses, and that Lead Plaintiff will seek up to \$2,500 for his time and expenses. *Mot. 22; see Stipulation Exs. A-1 (Dkt. # 79-2) (“Long Notice”), A-2 (“Proof of Claim”), A-3 (“Summary Notice”), A-4 (“Postcard Notice”).* The amount to be distributed to the Class Members after these deductions is the Net Settlement Fund. *See Mot. 17:14–19; Stipulation ¶ 1.19.*

To pay administrative costs, the Escrow Agent may, without further approval from Defendants or the Court, disburse at the direction of Lead Counsel up to \$150,000 from the settlement fund prior to the Effective Date of the Stipulation. *Id. ¶¶ 3.4, 10.5* (defining Effective Date as last in time of series of events, including dismissal of case and entry of final judgment). After the Effective Date, an additional \$50,000 may be transferred from the Settlement Fund to pay for any reasonable and necessary administrative costs without further order of the Court. *Id. ¶ 3.4.* The Escrow Agent shall also invest the Settlement Fund in short term instruments and reinvest the proceeds as they mature. *Id. ¶ 3.2.*

The parties agree to treat the Settlement Fund as a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1. *Stipulation ¶ 4.1.* Lead Counsel will be designated as the administrator for purposes of making necessary tax elections, filings, and ensuring all taxes and related expenses are paid from the fund. *Id. ¶ 4.1(a).* All taxes arising out of income earned by the settlement fund shall be paid out of the settlement fund. *Id. ¶ 4.1(b).* The Escrow Agent must withhold sufficient funds from distribution to Authorized Claimants to pay taxes or tax expenses as required. *Id.* All parties commit to cooperating to fulfill these requirements. *Id.*

iii. Exclusion and claims procedures

The Stipulation itself does not set out exclusion and claims procedures. *See Stipulation.* However, the Long Notice indicates that Class Members who wish to exclude themselves from the settlement class may do so by mailing to the Claims Administrator a signed, sworn letter with (1) their contact details, (2) their trading history (the date, number of shares and dollar amount of each EHang ADS purchase during the Class Period, and any sale transactions), and (3) the number of shares of EHang ADS held as of the opening of trading on March 29, 2022 and the close of trading on February 4, 2024. *Id. ¶ 5.1; id. Ex. A-1, p. 12.* A request for exclusion must be submitted with documentary proof of each purchase and, if applicable, supporting documents proving ownership. *Id.*

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The Long Notice indicates that, to share in the Settlement Fund, each class member must submit a Claim Form either by filling out the form on the settlement website or by mailing the form with supporting documentation to the Claims Administrator. *Stipulation*, Ex. A-1, p. 11. The claim form is a nine-page document consisting of a proof of claim and release form, *id.* 1-2; claimant's statement, *id.* 3-5; claimant's personal and contact information, *id.* 6; schedule of transactions in EHang ADS, *id.* 6-7; a substitute form W-9, *id.* 7; signature page, *id.* 8, and checklist of tips to submit the claim, *id.* 9.

iv. Individual distribution: Plan of Allocation

As to the individual class settlement payment calculations, the plan in the Long Notice provides for distribution of the Net Settlement Fund to Authorized Claimants who suffered losses on their transactions in EHang ADS during the Class Period, based on when and at what price they purchased, acquired, and/or sold EHang ADS. *Mot.* 17; *Stipulation*, Ex. A-1, 7-11. Class members will receive a pro rata share of the fund based on the Plan of Allocation, which is defined in the Long Notice itself and not in the Settlement Agreement. *See Stipulation*, Ex. A-1, 7-8. Each class member's funds will be determined as follows:

Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its Recognized Loss Amount as compared to the total Recognized Losses of all Authorized Claimants. *Id.* 8. For EHang ADSs purchased during the Class Period, Recognized Losses will be calculated as follows:

- A. For ADSs sold on or before November 6, 2023, the Recognized Loss Amount per ADS shall be \$0.
- B. For ADSs sold between November 7, 2023 and February 4, 2024, inclusive, the Recognized Loss Amount shall be the lesser of: (i) \$1.89 per ADS; or (ii) the difference between the purchase price per ADS and the average closing price per ADS as of date of sale provided in Table A [].
- C. For ADSs retained at the end of trading on February 2, 2024, the Recognized Loss Amount shall be the lesser of: (i) \$1.89 per ADS; or the difference between the purchase price per ADS and \$15.04 per ADS.

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Stipulation, Ex. A-1, ¶¶ 8–9. No distribution will be made to any claimants who would receive less than ten dollars. *Id.* 7. The Long Notice states Recognized Loss will average \$0.10 per share, after deduction of attorneys’ fees and expenses, if all class members participate. *Stipulation*, Ex. A-1, 2.

v. *Release of claims*

The Stipulation contains release provisions. The Stipulation defines the “Released Parties” as:

Defendants, Conor Chia-Hung Yang, Richard Jian Liu, Xin Fan, and each and all of their respective Related Parties,⁴ their respective families, parent entities, associates, affiliates or subsidiaries, and each and all of their respective past, present or future officers, directors, stockholders, agents, representatives, employees, attorneys, financial or investment advisors, advisors, consultants, accountants, investment bankers, commercial bankers, trustees, engineers, insurers, co-insurers and reinsurers, heirs, executors, general or limited partners or partnerships, personal or legal representatives, estates, administrators, predecessors, successors and assigns.

See Stipulation ¶ 1.28. The Stipulation releases the released class claims as follows:

[A]ny and all Claims and Unknown Claims that have been or could have been asserted or could in the future be asserted in any forum by or on behalf of any of the Releasing Parties, in any capacity, whether known or unknown, whether foreign or domestic, whether arising under federal, state, common,

⁴ “Related Parties” refers to, with respect to each Released Party:

the immediate family members, employees, officers, directors, attorneys, legal representatives, insurers, reinsurers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Released Party or in which any Released Party has a controlling interest, and their present and former parents, subsidiaries, variable interest entities, divisions, affiliates, employees, officers, directors, attorneys, legal representatives, accountants, insurers, reinsurers, and agents, and the predecessors, heirs, administrators, successors and assigns of the foregoing.

Stipulation 1.26.

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or foreign law, whether based on statements or omissions made directly to individual persons or broadly to the market, which arise out of, are based upon, or relate in any way to the purchase, acquisition, sale, or disposition of any EHang ADS during the Class Period, including but not limited to any claims alleged in the Action and any claims related to the allegations, facts, transactions, events, matters, occurrences, acts, disclosures, oral or written statements, representations, omissions, failures to act, filings, publications, disseminations, press releases, or presentations involved, related to, set forth, alleged or referred to in the Action. Notwithstanding the foregoing, “Released Claims” does not include claims to enforce the terms of this Stipulation or orders or judgments issued by the Court in connection with this Settlement.

Id. ¶¶ 1.27, 2.2.

vi. Cy Pres Distribution

If all conditions of the Stipulation are satisfied and final judgment is entered in this action, no portion of the Settlement Fund will be returned to Defendants. *Stipulation* ¶ 7.4. Any funds remaining in the Net Settlement Fund “shall be donated to a non-profit charitable organization(s) selected by Lead Counsel and approved by the Court.” *Id.*, Ex. A-1, p.8. The Stipulation does not identify a particular organization. *See id.*

vii. Notice Procedures

In its Motion and proposed order granting the Motion, Lead Plaintiff proposes the following notice plan to inform Class Members of the Settlement Agreement: that Class Counsel (1) email links to the Long Notice and Claim Form, or if no email address can be obtained, mailing the Postcard Notice, to Settlement Class Members who can be identified with reasonable effort; (2) post the Long Notice, Claim Form, and Stipulation on a settlement website maintained by the Claims Administrator; (3) permit Settlement Class Members to submit claims electronically at the settlement website; and (4) publish the Summary Notice over a national newswire. *Mot.* 20; *Stipulation* Ex. A. Plaintiff requests that the Court appoint Strategic Claims Services (“SCS”) as Claims Administrator. *Mot.* 16:1–3.

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The proposed notices will inform Settlement Class Members of the claims alleged in the action, the terms of the settlement, the right of Settlement Class Members to opt out or object to the settlement, the plan of allocation, and/or the proposed attorneys' fees and expenses. *Mot.* 20.

viii. Deadlines

Per the Stipulation, Defendants were to file with the Court an affidavit or declaration regarding their compliance with the notice required under the Class Action Fairness Act of 2005 ("CAFA") no later than 21 days following the date the Stipulation was filed with the Court, which was August 12, 2025. *Stipulation* ¶ 5.5.

Following an order of preliminary approval, Lead Counsel has 5 business days to provide defense counsel with payment instructions for the escrow account. *Id.* ¶ 2.1(a). Within 30 business days after the later of (i) receiving payment instructions from Lead Counsel, or (ii) entry of the preliminary approval order, Defendants shall pay, and/or cause to be paid, the Settlement Amount into the escrow account. *Id.* ¶ 2.1(b).

Following an order of preliminary approval, EHang has 10 business days to provide to Lead Counsel or the Claims Administrator "customary information" concerning the holders of EHang securities during the Class Period, to the extent such information is reasonably available to EHang's transfer agent, to assist with dissemination of notice. *Id.* ¶ 5.4. The parties acknowledge that any such information EHang provides to Lead Counsel or the Claims Administrator shall be treated as confidential. *Id.*

In his Motion, Lead Plaintiff proposes an additional schedule of events. Within 21 days of the entry of this Order, Class Counsel, through the Claims Administrator, shall email links to the location of the Long Notice and Proof of Claim to Settlement Class Members for whom the Claims Administrator is able to obtain email addresses; or (b) if no email address can be obtained, cause the Postcard Notice to be mailed by first class mail, postage prepaid, to Settlement Class Members who can be identified with reasonable effort by Class Counsel, through the Claims Administrator. *Mot.* 22–23. The notices shall be substantially similar in form to those attached as exhibits to the Stipulation. *Id.*

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The date for the final settlement hearing will be no less than 100 days from the date preliminary approval is entered. *Mot.* 22. Class Members may file a request for exclusion or opt out of the settlement, or file an objection, no later than 21 days prior to the final settlement hearing. *Id.* 23. Lead Plaintiff will file papers in support of the Settlement, Plan of Allocation, and an application for attorneys’ fees and expenses no later than 28 days prior to the final settlement hearing. *Id.*

II. Legal Standard

When parties settle an action before class certification, the court is obligated to “peruse the proposed compromise to ratify both the propriety of the certification and the fairness of the settlement.” *Staton v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir. 2003). Preliminary approval of a class settlement is generally a two-step process. First, the court must assess whether a class exists. *Id.* (citing *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997)). Second, the court must determine “whether [the] proposed settlement is fundamentally fair, adequate, and reasonable.” *Id.* (citing *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998)) (internal quotation marks omitted). The decision to approve or reject a settlement is within the Court’s discretion. *Hanlon*, 150 F.3d at 1026.

III. Class Certification for Settlement Purposes

A. Legal Standard

Parties seeking certification of a settlement-only class must still satisfy the Federal Rule of Civil Procedure (“Rule”) 23 standards. *See id.* 1019–24. Under Rule 23, a plaintiff must satisfy the four prerequisites of Rule 23(a) and demonstrate that the action is maintainable under Rule 23(b). *See Amchem*, 521 U.S. at 613–14. The four prerequisites of Rule 23(a) are: (1) numerosity, (2) commonality, (3) typicality, and (4) adequacy of representation. *See Fed. R. Civ. P. 23(a)*. Lead Plaintiff seeks certification under Rule 23(b)(3), which requires that “questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed R. Civ. P. 23(b)(3).

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B. Discussion

i. Numerosity

The first requirement for maintaining a class action under Rule 23(a) is that the class is “so numerous that joinder of all members would be impracticable.” Fed. R. Civ. P. 23(a)(1). “[I]n securities cases, when millions of shares are traded during the proposed class period, a court may infer that the numerosity requirement is satisfied.” *Howell v. JBI, Inc.*, 298 F.R.D. 649, 654-55 (D. Nev. 2014) (citations omitted); *see also Blackie v. Barrack*, 524 F.2d 891, 901 (9th Cir. 1975) (numerosity satisfied where the class period involved 120,000 transactions involving 21,000,000 shares).

Here, while the exact size of the proposed class is unknown, the Settlement Class comprises purchasers of EHang ADS. Lead Plaintiff states, “[a]s of December 31, 2023, there were more than 43 million EHang ADSs outstanding.” *Mot.* 5:4–6. Given the amount of shares outstanding, the Court finds numerosity is satisfied. *See Oh v. Hamni Fin. Corp.*, No. 2:20-CV-02844-FLA (JCX), 2024 WL 3435259 (C.D. Cal. Mar. 19, 2024) (numerosity satisfied where there were over 30.6 million shares outstanding the day after the end of the settlement class period).

ii. Commonality

To fulfill the commonality requirement, Lead Plaintiff must establish questions of law or fact common to the class as a whole. *See* Fed. R. Civ. P. 23(a)(2). The class claims must depend on a common contention that “is capable of classwide resolution—which means that determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke.” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). For the purposes of Rule 23(a)(2), even a single common question satisfies the requirement. *See id.* at 359; *Abdullah v. U.S. Sec. Assocs.*, 731 F.3d 952, 957 (9th Cir. 2013) (citing *Mazza v. Am. Honda Motor Co.*, 666 F.3d 581, 589 (9th Cir. 2012)).

Here, Lead Plaintiff identifies several questions of fact and law common to the class, including whether: (1) Defendants made false or misleading public statements during the Class Period; (2) Defendants acted with scienter; (3) Defendants’ misrepresentations artificially inflated the market price of EHang ADS during the Class Period; and (4) Settlement Class Members were damaged by Defendants’ alleged

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misrepresentations. *Mot.* 5:8–22. As such, Lead Plaintiff contends that common legal and factual issues would arise in determining the lawfulness of Defendants’ conduct. *See id.* The Court agrees. *See Dukes*, 564 U.S. at 350; *see also In re Juniper Networks, Inc. Sec. Litig.*, 264 F.R.D. 584, 588 (N.D. Cal. 2009) (“[M]isrepresentations by a company to its stockholders satisfy the commonality requirement of Rule 23(a)(2).”). While the amount to which each class member is entitled will differ, the issues described above are common to the proposed Settlement Class.

Accordingly, the commonality requirement is satisfied.

iii. Typicality

Typicality requires a showing that the named plaintiffs are members of the class they represent and that their claims are “reasonably co-extensive with those of absent class members,” but not necessarily “substantially identical.” *Hanlon*, 150 F.3d at 1020; *see Fed. R. Civ. P. 23(a)(3)*. The test of typicality “is whether other members have the same or similar injury, whether the action is based on conduct which is not unique to the named plaintiffs, and whether other class members have been injured by the same course of conduct.” *Ellis v. Costco Wholesale Corp.*, 657 F.3d 970, 984 (9th Cir. 2011) (quoting *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 508 (9th Cir. 1992)) (internal quotation marks omitted). In securities fraud cases, where plaintiffs allege that they purchased the security in question and suffered damages as a result of defendants’ misstatements, courts have found such claims typical of the class. *See, e.g., In re Silver Wheaton Corp. Sec. Litig.*, 2017 WL 2039171, at *7 (C.D. Cal. May 11, 2017).

Lead Plaintiff alleges that he purchased EHANG ADS during the Class Period and suffered significant losses. *FAC* ¶ 13. Therefore, the proof that Lead Plaintiff would need to establish his claim would also prove the claims of the proposed Settlement Class. Since the claims of Lead Plaintiff and the members of the Class arise from the same course of conduct by Defendants, involve the same issues, and are based on the same legal theories, the Court finds the typicality requirement is satisfied.

iv. Adequacy

The final requirement of Rule 23(a) is that “the representative parties will fairly and adequately protect the interests of the class.” *Fed. R. Civ. P. 23(a)(4)*. The Ninth Circuit has indicated that “[t]he proper resolution of this issue requires that two questions

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be addressed: (a) do the named plaintiffs and their counsel have any conflicts of interest with other class members and (b) will the named plaintiffs and their counsel prosecute the action vigorously on behalf of the class?” *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 462 (9th Cir. 2000).

In his motion for appointment as Lead Plaintiff, Lead Plaintiff provided a sworn certification under the Private Securities Litigation Reform Act of 1995 (PSLRA) attesting that he has reviewed the complaint, adopts the allegations therein, and is willing to serve as representative of the class. Dkt. # 16-2; *Mot.* 6. The Court finds that there is no conflict of interest between Lead Plaintiff and the Settlement Class, and that Lead Plaintiff’s claims rise and fall with those of the Settlement Class. *Mot.* 6:14–17. Thus, Lead Plaintiff is an adequate class representative. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 594-95 (1997) (“Representatives must be part of the class and possess the same interest and suffer the same injury as the class members.”).

As to Lead Counsel’s adequacy, the Court must consider “(i) the work counsel has done in identifying or investigating potential claims in the action; (ii) counsel’s experience in handling class actions, other complex litigation, and the types of claims asserted in the action; (iii) counsel’s knowledge of the applicable law; and (iv) the resources that counsel will commit to representing the class.” Fed. R. Civ. P. 23(g)(1)(A). Here, the Court previously determined that Lead Counsel is qualified to represent the Class. Dkt. # 33, 5–6. Since that determination, Lead Counsel has conducted the pre-filing investigation, filed the complaint and amended complaint, retained and supervised investigators in China, the U.S., and Canada to interview employees, retained a damages expert, briefed EHang’s motion to dismiss, prepared and participated in mediation, formalized the settlement, and filed the instant motion for preliminary approval. *Mot.* 6–7. Lead Counsel has experience litigating securities class actions, which are “notoriously complex.” *Mot.* 7; *see Hefler v. Wells Fargo & Co.*, 2018 WL 6619983, at *13 (N.D. Cal. Dec. 18, 2018), *aff’d sub nom. Hefler v. Pekoc*, 802 F. App’x 285 (9th Cir. 2020) (“Courts have recognized that, in general, securities actions are highly complex and that securities class litigation is notably difficult and notoriously uncertain.”).

Thus, the Court finds adequacy is satisfied.

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v. *Predominance and Superiority*

Having concluded that the Class satisfies the Rule 23(a) factors, the Court now turns to Rule 23(b)(3)’s requirements.

The predominance component of Rule 23(b)(3) requires a district court to find that “the questions of law or fact common to class members predominate over any questions affecting only individual members.” Fed. R. Civ. P. 23(b)(3). “The requirements of Rule 23(b)(3) overlap with the requirements of Rule 23(a): the plaintiffs must prove that there are ‘questions of law or fact common to class members’ that can be determined in one stroke . . . in order to prove that such common questions predominate over individual ones[.]” *Olean Wholesale Grocery Coop., Inc. v. Bumble Bee Foods LLC*, 31 F.4th 651, 664 (9th Cir. 2022); *Hanlon*, 150 F.3d at 1022 (“When common questions present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis.”).

Here, common questions of law and fact predominate. The same set of operative facts and a single proximate cause applies to each proposed class member, because each class member purchased and/or acquired EHangs ADS during the Settlement Class Period and suffered losses as a result of Defendants’ alleged misrepresentations that artificially inflated the stock prices before they plummeted. *See* FAC. As such, the Court concludes that common questions of law and fact predominate here.

Under the superiority requirement of Rule 23(b)(3), a plaintiff must show that “a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3). As part of the analysis, courts are directed to weigh several non-exclusive factors outlined in Rule 23(b)(3): class members’ interests in individual actions, the extent and nature of any litigation concerning the controversy, the desirability of concentrating the litigation of the claims in the particular forum, and manageability difficulties. *See id.* (A)–(D); *Wolin v. Jaguar Land Rover N. Am., LLC*, 617 F.3d 1168, 1175 (9th Cir. 2010).

The Court finds superiority easily met. If Lead Plaintiffs and class members each brought individual actions, they would each be required to prove the same wrongdoing to establish Defendants’ liability. This would be inefficient and costly, resulting in duplicative and potentially conflicting proceedings. *See Lerwill v. Inflight Motion*

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Pictures, Inc., 582 F.2d 507, 512 (9th Cir. 1978) (“Numerous individual actions would be expensive and time-consuming and would create the danger of conflicting decisions as to persons similarly situated.”). Class Members could face difficulty finding legal representation and lose incentive to bring their claims if forced to do so in isolation. *See In re Napster, Inc. Copyright Litig.*, No. C 04-1671 MHP, 2005 WL 1287611, at *8 (N.D. Cal. June 1, 2005) (finding superiority in part because “many small composers individually lack the time, resources, and legal sophistication to enforce their copyrights”). The Stipulation efficiently resolves the claims of the entire Settlement Class at once. Thus, class resolution is superior to other methods and will avoid the possibility of repetitious litigation.

The requirements of Rule 23(b)(3) are satisfied.

C. Conclusion

Lead Plaintiff has met the requirements for class certification under Rule 23. Therefore, the Court **CERTIFIES** the Class for settlement purposes only. The Court **APPOINTS** Rosen Law Firm as Class Counsel and **APPOINTS** Lead Plaintiff Zhang as Class Representative.

IV. Preliminary Approval of the Proposed Class Action Settlement

The Court must now determine whether the settlement reached is “fair, reasonable, and adequate” under Rule 23(e). *See* Fed. R. Civ. P. 23(e)(2).

A. Preliminary Approval Legal Standard

The approval of a class action settlement is a two-step process under Rule 23(e) in which the court first determines whether a proposed class action settlement deserves preliminary approval and then, after notice is given to class members, whether final approval is warranted. *See In re Am. Apparel, Inc. S’holder Litig.*, No. CV 10-06352 MMM (CGx), 2014 WL 10212865, at *5 (C.D. Cal. Jul. 28, 2014). “At the preliminary approval stage, a court determines whether a proposed settlement is within the range of possible approval and whether or not notice should be sent to class members.” *True v. Am. Honda Motor Co.*, 749 F. Supp. 2d 1052, 1063 (C.D. Cal. 2010) (internal quotation marks omitted). The Court “must have information sufficient to consider the proposed settlement fully and fairly.” *Manual for Complex Litigation (Fourth)*, § 13.14 (2004).

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Preliminary approval amounts to a finding that the terms of the proposed settlement warrant consideration by members of the class and a full examination at a final approval hearing. *Id.*

Preliminary approval is appropriate if “the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval.” *Ma v. Covidien Holding, Inc.*, No. SACV 12-2161 DOC, 2014 WL 360196, at *4 (C.D. Cal. Jan. 31, 2014); *see also Eddings v. Health Net, Inc.*, No. CV 10-1744 JST (RZx), 2013 WL 169895, at *2 (C.D. Cal. Jan. 16, 2013).

After notice is given to the class, preliminary approval is followed by a review of the fairness of the settlement at a final fairness hearing and, if appropriate, a finding that it is “fair, reasonable, and adequate.” Fed. R. Civ. P. 23(e)(2); *see also Lane v. Facebook, Inc.*, 696 F.3d 811, 818 (9th Cir. 2012); *Hanlon.*, 150 F.3d at 1027. In making this determination,

the district court must balance many factors: the strength of the plaintiffs’ case; the risk, expense complexity, and likely duration of further litigation; the risk of maintaining class action status throughout the trial; the amount offered in settlement; the extent of discovery completed and the stage of the proceedings; the experience and views of counsel; the presence of a governmental participant; and the reaction of the class members to the proposed settlement.

Hanlon, 150 F.3d at 1026; *see also Staton*, 327 F.3d at 959; *Officers for Just. v. Civ. Serv. Comm’n*, 688 F.2d 615, 625 (9th Cir. 1982) (noting that the list of factors is “by no means an exhaustive list”).

The district court must approve or reject the settlement as a whole. *See Hanlon*, 150 F.3d at 1026 (“It is the settlement taken as a whole, rather than the individual component parts, that must be examined for overall fairness.”). The court may not delete, modify, or rewrite particular provisions of the settlement. *See Dennis v. Kellogg Co.*, 697 F.3d 858, 868 (9th Cir. 2012); *Hanlon*, 150 F.3d at 1026.

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B. Analysis of Settlement Agreement

i. Fair and Honest Negotiations

In general, evidence that a settlement agreement is arrived at through genuine arms-length bargaining with a mediator supports a conclusion that the settlement is fair. *See Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009) (“We put a good deal of stock in the product of an arms-length, non-collusive, negotiated resolution.”); *Sarabi v. Weltman, Weinberg & Reis Co., L.P.A.*, No. CV 10-1777 AJB (NLSx), 2012 WL 3809123, at *1 (S.D. Cal. Sept. 4, 2012) (holding that a settlement should be granted preliminary approval after the parties engaged in extensive negotiations); *Aarons v. BMW of N. Am., LLC*, No. CV 11-7667 PSG (CWx), 2014 WL 4090564, at *10 (C.D. Cal. Apr. 29, 2014) (declining to apply a presumption but considering the arms-length nature of the negotiations as evidence of reasonableness).

Here, the evidence supports the conclusion that the Stipulation is fair and honest. The Motion, which Defendants do not dispute, states that the proposed settlement followed hard-fought litigation and arm’s length negotiations, including a mediation session and subsequent discussions guided by an experienced mediator at JAMS. *Mot.* 1–2. The parties mutually accepted the mediator’s proposal. *Dkt. # 77; see In re China Med. Corp. Sec. Litig.*, 2014 WL 12581781, at *5 (C.D. Cal. Jan. 7, 2014) (mediator’s “involvement in the settlement supports the argument that it is non-collusive”). Class Counsel also performed an extensive investigation prior to filing the amended complaint, including an exhaustive review of public sources and retaining investigators to interview relevant witnesses; briefed EHang’s motion to dismiss; and consulted with a loss causation and damages expert, which demonstrate that Class Counsel was familiar with the strength and weaknesses of the case. *Mot.* 19–20. Class Counsel and Defense Counsel (Cooley LLP) are both experienced securities litigation practitioners. *Id.* 20.

Because negotiations were adversarial at all times and conducted at arm’s length, the Court is satisfied that the Stipulation is the product of fair and honest negotiations.

ii. Settlement Amount

To evaluate whether a settlement falls within the range of possible approval, “courts primarily consider plaintiffs’ expected recovery balanced against the value of the settlement offer.” *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1080 (N.D.

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Cal. 2007). The adequacy of the amount offered in settlement must be judged “not in comparison with the possible recovery in the best of all possible worlds, but rather in light of the strengths and weaknesses of plaintiffs’ case.” *In re “Agent Orange” Prod. Liab. Litig.*, 597 F. Supp. 740, 762 (E.D.N.Y. 1984), *aff’d*, 818 F.2d 145 (2d Cir. 1987).

Lead Plaintiff’s expert estimated Defendant’s maximum liability as approximately \$23,000,000. *Mot.* 18. Lead Plaintiff notes the total liability is likely significantly lower. *Id.* In the FAC, Lead Plaintiff alleged that investors suffered damages when EHang’s ADS price dropped in response to the release of a report from Hindenburg Research, which revealed that Prestige had only preordered 12 AAVs from EHang, and not 100. *FAC* ¶ 6. However, the Hindenburg Report alleged multiple instances of fraud by EHang, not just the Prestige pre-order inflation, which was the sole remaining claim in this lawsuit. *Mot.* 14.

Even taking the full estimated \$23,000,000 as Defendants’ maximum liability, the Settlement Amount of \$1,985,000 represents 8.6% of the estimated damages for the Class. This falls within the range of other securities class action settlements with similar total damages. *See In re Regulus Therapeutics Inc. Sec. Litig.*, Nos. 3:17-cv-182-BTM-RBB, 3:17-cv-267-BTM-RBB, 2020 WL 6381898, at *6 (S.D. Cal. Oct. 30, 2020) (approving 1.99% recovery); *In re Snap Sec. Litig.*, No. 2:17-cv-03679-SVW, 2021 WL 667590, at *1 (C.D. Cal. Feb. 18, 2021) (approving settlement representing “approximately 7.8% of the class’s maximum potential aggregate damages, which is similar to the percent recovered in other court-approved securities settlements”); *Kendall v. Odonate Therapeutics, Inc.*, No. 3:20-cv-01828-H-LL, 2022 WL 1997530, at *6 (S.D. Cal. June 6, 2022) (approving recovery of 3.49% of damages); *In re Celera Corp. Sec. Litig.*, No. 5:10-CV-02604-EJD, 2015 WL 1482303 (N.D. Cal. Mar. 31, 2015), at *6 (approving recovery of 5.5% of plaintiffs’ estimated losses).

Moreover, Lead Plaintiff took into consideration the specific risks associated with the claim. *See Mot.* 13–14. Lead Plaintiff notes challenges in proving falsity, loss causation, and damages for the one remaining claim related to Prestige. *Mot.* 14. “[D]istrict courts have found that settlements for substantially less than the plaintiff’s claimed damages were fair and reasonable, especially when taking into account the uncertainties involved with the litigation.” *See Rigo v. Kason Indus., Inc.*, No. CV 11-0064 MMA (DHBx), 2013 WL 3761400, at *5 (S.D. Cal. Jul. 16, 2013). Additionally, discovery in China (where Defendants are based) would be costly and lengthy. *Mot.* 14–15.

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“[T]he risk of continued litigation balanced against the certainty and immediacy of recovery from the Settlement” is a relevant factor. *Vasquez v. Coast Valley Roofing, Inc.*, 266 F.R.D. 482, 489 (E.D. Cal. 2010) (citation omitted). The Court finds that the Settlement Amount confers benefits on Class Members who would face significant risk of no recovery and ongoing expenses if forced to proceed with litigation. Lead Plaintiff has detailed the defenses undermining his ability to prove liability and the risks to maintaining class certification. Accordingly, the settlement amount favors preliminary approval.

iii. Attorneys’ Fees and Costs

When approving attorneys’ fees in common fund cases, courts in the Ninth Circuit have discretion to apply the percentage-of-the-fund method or the lodestar method to determine reasonable attorneys’ fees. *See Powers v. Eichen*, 229 F.3d 1249, 1256 (9th Cir. 2000); *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 944–45 (9th Cir. 2011) (finding that when a settlement establishes a common fund for the benefit of a class, courts may use either method to gauge the reasonableness of a fee request, but encouraging courts to employ a second method as a cross-check after choosing a primary method).

If employing the percentage-of-the-fund method, the “starting point” or “benchmark” award is 25 percent of the total settlement value. *See Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048–50 (9th Cir. 2002); *Torrise v. Tucson Elec. Power Co.*, 8 F.3d 1370, 1376 (9th Cir. 1993). Calculation of the lodestar, which measures the lawyers’ investment of time in the litigation, provides a check on the reasonableness of the percentage award. *Vizcaino*, 290 F.3d at 1050. To determine attorneys’ fees under the lodestar method, a court must multiply the reasonable hours expended by a reasonable hourly rate. *See In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1294 n.2 (9th Cir. 1994). The court may then enhance the lodestar with a “multiplier,” if necessary, to arrive at a reasonable fee. *Id.*

In this case, Class Counsel is seeking up to 25% in attorneys’ fees based on the Settlement Amount of \$1,985,000, which amounts to \$496,250, and reimbursement of expenses not to exceed \$67,000, which is 3.4% of the Settlement Amount. *Mot.* 22.

Although the amount Class Counsel requests in fees is no greater than the 25% “benchmark” established in this Circuit, it is the Court’s practice to assess a percentage

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fee award not only by using the usual litany of factors bearing on the reasonableness of a fee, but also by cross-checking the percentage fee award against a rough fee computation under the lodestar method. *See Viscano v. Microsoft Corp.*, 290 F.3d 1043 (9th Cir. 2002) (analyzing (1) the results achieved; (2) the risk of litigation; (3) the skill required and quality of work; (4) the contingent nature of the fee and financial burden carried by plaintiffs; and (5) the awards in similar cases). “Relying on percentages without reference to other factors can be, like blind reliance on benchmarks, an ‘all too tempting substitute for the searching assessment that should properly be performed.’” *In re HPL*, 366 F. Supp. 2d 912, 918 (N.D. Cal. 2005) (quotation omitted). Even if a lodestar calculation would not suggest an award far below the percentage fee, a cross-check is appropriate.

Thus, in or with its motion for final approval of the class settlement, Class Counsel is **INSTRUCTED** to provide the requested hourly rate and hours expended in this case so the Court can calculate the lodestar value and use it to cross-check the reasonableness of the fees and costs award. Class Counsel should explain whether a multiplier is appropriate in this case. Finally, Class Counsel must submit a detailed summary of its costs and expenses for the Court’s consideration.

i. Administration Costs

The Long Notice states that “[a] portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing this Notice and the costs of publishing notice.” *Stipulation*, Ex. A-1, 6. The *Stipulation* further provides that, “[a]t any time after the Court grants preliminary approval of the Settlement, the Escrow Agent may, without further approval from Defendants or the Court, disburse at the direction of Lead Counsel up to \$150,000 from the Settlement Fund prior to the Effective Date to pay Administrative Costs. After the Effective Date, an additional \$50,000 may be transferred from the Settlement Fund to pay for any reasonable and necessary Administrative Costs without further order of the Court.” *Stipulation* ¶ 3.4. Administrative Costs is defined in the *Stipulation* as including, without limitation: “escrow agent costs, the costs of publishing and disseminating the Notice, the costs of printing and mailing the Notice and Proof of Claim, as directed by the Court, and the costs of allocating and distributing the Net Settlement Fund to the Authorized Claimants.” *Stipulation* ¶ 1.2.

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Courts regularly award administrative costs associated with providing notice to the class. *See, e.g., Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 266 (N.D. Cal. 2015). Nonetheless, this provision for Claim Administration fees—which does not appear in the proposed Notices—sets aside up to \$200,000 for costs and expenses, which could reduce the entire settlement amount by nearly 10%. Nor has the Court seen any breakdown of proposed costs, such as the maximum payment amount that will be made to the Claims Administrator. Lead Plaintiff does not appear to address the propriety of the administration costs in its Motion.

Accordingly, the Court **DIRECTS** that the proposed Long Notice and Summary Notice, *Stipulation*, Exs. A-1 & A-3, inform class members of the potential maximum amount of administrator fees. Further, at this time, the Court is not prepared to approve the proposed language granting the Escrow Agent with the discretion to authorize disbursement, without further approval from the Court, of up to \$200,000 for reasonable costs in notice and claims administration expenses. *Stipulation* ¶ 3.4. Thus, in or with its motion for final approval of the class settlement, Class Counsel is **INSTRUCTED** to explain the class administrator’s proposed fees and break down what comprises “reasonable and necessary Administrative Costs.” This Court will make the determination regarding the reasonableness of such fees at the final approval hearing.

ii. Plan of Allocation

The Court also must preliminarily approve the Plan of Allocation. The distribution plan is governed by the same legal standards that apply to the approval of a settlement: the plan must be fair, reasonable, and adequate. *See In re Citric Acid Antitrust Litig.*, 145 F. Supp. 2d 1152, 1154 (N.D. Cal. 2001). “This means that, to the extent feasible, the plan should provide class members who suffered greater harm and who have stronger claims a larger share of the distributable settlement amount.” *Hendricks v. StarKist Co.*, No. 13-cv-00729-HSG, at *7 (N.D. Cal. July 23, 2015) (citations omitted). “A settlement in a securities class action case can be reasonable if it fairly treats class members by awarding a pro rata share to every Authorized Claimant, but also sensibly makes interclass distinctions based upon, inter alia, the relative strengths and weaknesses of class members’ individual claims and the timing of purchases of the securities at issue.” *Vinh Nguyen v. Radiant Pharms. Corp.*, No. 11-cv-00406, 2014 WL 1802293, at *5 (C.D. Cal. May 6, 2014) (quotation marks and citation omitted). “[C]ourts recognize that an allocation formula need only have a reasonable, rational basis, particularly if recommended by experienced and competent counsel.” *Id.* at *5.

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The proposed Plan of Allocation, laid out in the Long Notice, provides for distribution of the Net Settlement Fund to Authorized Claimants who suffered losses on their transactions in EHang ADS during the Class Period based on when and at what price they purchased, acquired, and/or sold EHang ADS. *Mot.* 17; *Stipulation*, Ex. A-1, 7–11. The Long Notice lays out how Recognized Loss Amount will be calculated. *Stipulation*, Ex. A-1, 8–11. Lead Plaintiff developed the allocation formulas in consultation with a financial expert. *Id.*

The Court finds the formula in the Plan of Allocation “meet[s] the PSLRA requirement of providing a calculation of the amount of settlement proposed to be distributed on a per share basis.” *See In re Veritas Software Corp. Sec. Litig.*, 496 F.3d 962, 969 (9th Cir. 2007). Other California district courts have approved similar formulas for distribution in securities litigation cases. *See, e.g., Veritas Software*, 496 F.3d at 969; *In re Portal Software, Inc. Sec. Litig.*, No. C-03-5138 VRW, 2007 WL 4171201, at *6 (N.D. Cal. Nov. 26, 2007); and *In re Zynga Inc. Sec. Litig.*, No. 12-CV-04007-JSC, 2015 WL 6471171 (N.D. Cal. Oct. 27, 2015).

i. Award

“Incentive awards are fairly typical in class action cases.” *Rodriguez*, 563 F.3d at 958. When considering requests for incentive awards, courts consider five principal factors:

- (1) [T]he risk to the class representative in commencing suit, both financial and otherwise;
- (2) the notoriety and personal difficulties encountered by the class representative;
- (3) the amount of time and effort spent by the class representative;
- (4) the duration of the litigation;
- (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation.

Van Vranken v. Atl. Richfield Co., 901 F. Supp. 294, 299 (N.D. Cal. 1995).

Courts typically examine the propriety of an incentive award by comparing it to the total amount other class members will receive. *See Staton*, 327 F.3d at 975; *Dyer v. Wells Fargo Bank, N.A.*, 303 F.R.D. 326, 335 (N.D. Cal. 2014) (“To determine the reasonableness of an incentive payment, courts consider the proportionality between the incentive payment and the range of class members’ settlement awards.”).

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According to the Long Notice, Lead Plaintiff seeks an award no larger than \$2,500 in addition to his individual settlement payment. *Stipulation*, Ex. A-1, 2. The Motion states that Lead Plaintiff will receive a pro rata distribution from the Net Settlement Fund per the Plan, like all other Settlement Class Members, but does not explain how Lead Plaintiff or Class Counsel determined the size of his service award. Although the amount is a small portion of the Settlement Fund, the Court must nonetheless have a factual basis to determine the reasonableness of the requested service award when ruling on Plaintiff's motion for final approval.

Accordingly, in or with its motion for final approval of the class settlement, Class Counsel is **INSTRUCTED** to explain Lead Plaintiff's award as a percentage of the total settlement, as well as the disparity, if any, between the award and the expected average settlement amount for each Class Member. Lead Plaintiff should submit a declaration supporting the incentive award and a detailed description of his efforts.

ii. Remaining Funds

The Stipulation provides that, if all conditions of the Stipulation are satisfied and final judgment is entered in this action, no portion of the Settlement Fund will be returned to Defendants. *Stipulation* ¶ 7.4. Instead, any funds remaining in the Net Settlement Fund "shall be donated to a non-profit charitable organization(s) selected by Lead Counsel and approved by the Court." *Id.*, Ex. A-1, p.8.

The Court approves the distribution of any remaining funds in the Net Settlement Fund to a non-profit charitable organization, subject to the Court's final approval as to the organization selected.

C. Notice to Class Members

Before the final approval hearing, the Court requires adequate notice of the settlement be given to all class members. Rule 23 provides:

For any class certified under Rule 23(b)(3) . . . the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort. . . . The notice must clearly and concisely state in plain, easily understood language: (i) the nature of the action; (ii) the definition of

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the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members under Rule 23(c)(3).

Fed. R. Civ. P. 23(c)(2)(B). “Notice is satisfactory if it ‘generally describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard.’” *Churchill Vill., LLC v. Gen. Elec.*, 361 F.3d 566, 575 (9th Cir. 2004) (quoting *Mendoza v. Tucson Sch. Dist. No. 1*, 623 F.2d 1338, 1352 (9th Cir. 1980)).

Here, Plaintiffs have provided a proposed Long Notice, Summary Notice, and Postcard Notice. *Stipulation* Exs. A-1, A-3, A-4. The proposed Long Notice provides, in plain wording: (a) the rights of Settlement Class Members, including the manner in which they may lodge objections or request exclusion and instructions on how to complete and submit a Claim Form to the Claims Administrator; (b) the nature, history, progress, and status of the litigation; (c) the proposed Settlement; (d) the process for filing a Claim Form; (e) a description of the proposed Plan; (f) the maximum attorneys’ fees and expenses and award to Plaintiff to be sought by Lead Counsel; (g) the definition of the Settlement Class; (h) the reasons the Parties have proposed the Settlement; (i) the estimated distribution per damaged ADS; (j) the Settlement Class’s claims and issues; (k) the Parties’ disagreement over damages and liability; (l) contact information for all counsel and the Court; and (m) the time, date, and location of the Settlement Hearing. *See* 15 U.S.C. § 78u-4(a)(7)(A)-(F).

Rule 23(h)(1) requires that “[n]otice of the motion [for attorneys’ fees] must be served on all parties and, for motions by class counsel, directed to class members in a reasonable manner.” Fed. R. Civ. P. 23(h)(1). The notices alert Settlement Class Members that Lead Counsel will apply to the Court for attorneys’ fees of up to 25% of the Settlement Amount, reimbursement of expenses of up to \$67,000, and an award to Plaintiff of no more than \$2,500, all to be paid from the Settlement Fund.

Having reviewed the proposed notices in conjunction with the Settlement Agreement, the Court finds the proposed notices and notice plan satisfactory, with two exceptions. First, as discussed, the proposed notices do not mention the portion of the Settlement Fund that may be allocated for reasonable expenses. *See supra* Section

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IV.B.i. Second, the proposed notice plan in the Stipulation and Motion does not mention the utilization of standard devices like skip-tracing to obtain forwarding addresses of Class Members if postcards are returned. *Id.*

Lead Plaintiff has proposed giving Class Members until at least 21 days prior to the final settlement hearing to opt out or object to the settlement, or to file a claim. Accordingly, Class Members shall have until **December 19, 2025** to opt out or object to the settlement, or to submit the claim form. Additionally, the Claims Administrator shall utilize skip tracing to find addresses in the event that mailed notice is returned. With these amendments, the Court approves the proposed notice plan.

V. Conclusion

For the foregoing reasons, the Court **GRANTS** Plaintiff's motion for preliminary approval of class action settlement.

The Court **PRELIMINARILY APPROVES** the settlement, **APPOINTS** Lead Plaintiff as Class Representative, **APPOINTS** The Rosen Law Firm, P.A., as Class Counsel, and **APPOINTS** Strategic Claims Services as the Settlement Administrator.

The Court **APPROVES** the proposed class notice, subject to the inclusion in the Long Notice and Summary Notice that the Escrow Agent may disburse at the direction of Class Counsel up to \$200,000 from the Settlement Fund for reasonable and necessary administrative costs. Class Members shall have until **Friday, December 19, 2025** (21 days before the final approval hearing) to opt out or object to the settlement.

The Court **APPROVES** the proposed notice plan, subject to the addition that the Class Administrator should perform skip tracing in the event a mailed notice is returned.

The Court sets the final approval hearing for **Friday, January 9, 2026, at 1:30 p.m., in Courtroom 6A**, to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class and should be approved by the Court; to determine whether a Judgment as provided in the Stipulation should be entered; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees, costs and expenses that should be awarded to Lead Counsel for their efforts in litigating the Action, and any compensatory award that should be awarded to Lead Plaintiff for his service to the

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Settlement Class; to hear any objections by Settlement Class members to the Stipulation, Plan of Allocation, or any award of fees and expenses to Lead Counsel or compensatory award to Lead Plaintiff; and to consider such other matters as the Court may deem appropriate.

The Court sets the filing deadline for the final approval motion for **December 12, 2025**. By December 12, 2025, Plaintiff must also address, either in the motion briefing or in separate memoranda: (1) the portion of the Settlement Fund that will be set aside to pay for reasonable and necessary administrative costs; (2) hourly rate and hours expended in this case so the Court can calculate the lodestar value and use it to cross-check the reasonableness of the fees and costs award, whether a multiplier is appropriate in this case, and a detailed summary of Class Counsel's costs and expenses; and (3) Plaintiff's service award compared to the Settlement Amount and individual settlement payments to Class Members, supported by a declaration from Plaintiff, as the Court set forth in greater detail in this Order.

The Court enters the following deadlines, as adopted from the Stipulation and the Motion's proposed order (Dkt. # 80-2) or decided elsewhere in this Order.

Event	Date / Deadline
Final approval hearing	January 9, 2026, at 1:30 p.m. in Courtroom 6A (approx. 112 days after Preliminary Approval)
EHang to provide to Lead Counsel or Claims Administrator confidential information concerning holders of EHang securities during the Class Period	Within 10 business days of Preliminary Approval
Class Counsel to email links of the Long Notice and Claim Form to Settlement Webpage/Mailing the Postcard Notice	Within 21 days after Preliminary Approval
Class Counsel to post the Stipulation, Preliminary Approval Order, Long Notice, Postcard Notice, and Claim Form on Settlement website	Within 21 days after Preliminary Approval

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Class Counsel, through the Claims Administrator, to cause the Summary Notice to be published electronically on the <i>GlobeNewswire</i>	Within 10 days of emailing links to Long Notice and Claim Form/Mailing Postcard Notice
Plaintiff to file papers in support of the Settlement, the Plan, and motion for attorneys' fees and expenses	December 12, 2025 (28 days prior to final approval hearing)
Deadline for requests for exclusion and objections	December 19, 2025 (21 days prior to final approval hearing)
Deadline for Claim Forms	December 19, 2025 (21 days prior to final approval hearing)
Plaintiff to file reply papers in support of the Settlement, the Plan, and motion for attorneys' fees and expenses	December 26, 2025 (14 days prior to final approval hearing)
Class Counsel to serve upon counsel for Defendants and file with the Court (1) proof of publication of the Summary Notice and (2) proof of mailing of the Postcard Notice and the emailing of the links to the location of the Long Notice and Proof of Claim	December 26, 2025 (7 days prior to final approval hearing)

IT IS SO ORDERED.

Initials of Preparer

:

TJ